GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4347
ANSWERED ON:21.08.2000
UNIVERSAL SERVICE OBLIGATION
CHANDRA BHUSHAN SINGH;JASWANT SINGH YADAV

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Telecom Regulatory Authority of India (TRAI) has released consultation paper on Universal Service Obligation;

(b) if so, the details thereof;

(c) whether TRAI has analysed the various issues involved in the implementation of Universal Service Obligation;

(d) if so, the details thereof;

(e) whether the Government propose to insist upon the companies desirous to enter Long Distance Telecom Market to have some commitment for the Universal Service Obligation Fund ;

(f) if so, the details thereof; and
g) the objectives of the said fund and the utilization of funds accumulated therein?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI. TAPAN SIKDAR)

(a) to (g): Under the New Telecom Policy, 1999, the Government is committed to provide access to all people for basic telecom services at affordable and reasonable prices. Funds for meeting this Universal Service Obligation would be raised through the imposition of a universal access levy, which would be a percentage of the revenue earned by all the operators under various licenses. This percentage is to be decided by the Government in consultation with the Telecom Regulatory Authority of India (TRAI)A Consultation Paper on the subject of Universal Service Obligations was recently released by the TRAI, in which it has analyzed several issues concerning the USO, includingthe concept, composition and amount of contribution to the Universal Service Fund, methodologies to assess Net Universal Service Costs, and organizational issues relating to the implementation of USO. The TRA had sought inputs on the consultation paper (which is a public document and is also available on the internet) from various stakeholders, including Service Providers, consumers and their organizations, and Finance Institutions etc. by 24th July 2000. The matter is presently being examined by TRAI and the Government will take a final decision on it only after receiving formal recommendations from the Authority. Meanwhile, for the companies desiring to enter National Long Distance operations the Govt. have fixed the licence fee in the form of revenue share @ 10% plus prescribed contribution towards the Universal Service Obligation with a total cap of 15% .